

DELTA PROTECTION COMMISSION

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October 11, 1996



To: Delta Protection Commission

From: Margit Aramburu, Executive Director

Subject: Proposition 204: Safe, Clean, Reliable water Supply Act; A
Bond Act
(For Commission Action)

BACKGROUND

The Act, known as the Safe, Clean, Reliable Water Supply Act, was approved nearly unanimously by the Legislature on July 11, 1996. The bond act will be voted on in the November 1996 election and would approve \$995 million in bond sales.

The Prop 204 funds would aid in various projects and programs including meeting safe drinking water standards; restoring the ecological health of the Bay and Delta; increasing water supplies; preventing water pollution; protecting against floods; encouraging water recycling and conservation; and protecting fish and wildlife.

Proposition 204 Supporters: Supporters include the California Farm Bureau, Association of California Water Agencies, California Chamber of Commerce, Delta Restoration Coalition, Senator Thompson, and the Sierra Club. [NOTE: Most of the information used to compile this report was taken from the Proposition 204 Campaign literature.]

Opposition Arguments: Opponents to Proposition 204 argue the bond amount is already too expensive due to interest costs. California's bond debt is too high and Prop 204 would cost Californians an additional 1.7 billion in principal and interest over the next 25 years. Opponents also argue that taxpayers statewide should not be forced to pay for projects focusing on such a small region, the Sacramento-San Joaquin Delta. Opponents want the Prop 204 programs and projects voted for and funded at the local level. Lastly, opponents are skeptical of the Cal-Fed program because too many bureaucracies are involved.

[NOTE: This summary is based on the Arguments Against Prop 204 in the November 1996 Ballot Pamphlet.]

The Act designates funds for the following activities:

Delta Improvement Account: \$193 million

Central Valley Project Improvement Subaccount: \$93 million

These funds will help pay the state's share of costs for

projects and program authorized by the CVPIA. Some projects include a temperature control device at Shasta Dam, gravel restoration projects, construction of fish screens, removal of blockages to fish passages, and other habitat improvements.

Bay-Delta Agreement Subaccount: \$60 million

Provides funds to aid in the implementation of fish screens and other measures required by the Water Quality Control Plan for the Bay-Delta adopted by the SWRCB. These projects are Category III measures agreed to in the 1994 State-Federal Bay-Delta Accord.

Delta Levee Rehabilitation Subaccount: \$25 million

Provides funds for the SB34 Program.

South Delta Barriers Program: \$10 million

Provides funds, subject to Department of Fish and Game approval, to pay the state's share of costs for a fish barrier at the head Old River in the delta and for salinity barriers to protect water quality for beneficial uses in the delta.

Delta Recreation Program: \$2 million

Provides funds for public recreation and access in the delta through voluntary easements and construction of facilities.

CALFED Bay-Delta Program: \$3 million

Provides funding to pay State's costs associated with planning and feasibility activities required through the CALFED Bay-Delta Program.

Clean Water and Water Recycling Account: \$235 million

State Revolving Fund Loan Subaccount: \$80 million

Provides assistance to local agencies for the construction of wastewater treatment plants. The commitment of state funds leverages federal dollars on a 1 to 5 ratio.

Small Communities Grant Subaccount: \$30 million

Provides funds for construction of treatment projects by local agencies with a population of 5,000 or less that can demonstrate a financial hardship. Such agencies are eligible for grants under the federal Clean Water Act. A single project may not receive more than \$3.5 million.

Water Recycling Subaccount: \$60 million

Provides loans to local agencies to aid in designing and constructing recycling projects.

Drainage Management: \$30 million

Provides loans to local agencies to construct facilities to treat agricultural drainage water and to remove or substantially reduce the level of pollutants with preference given to source reduction projects and programs.

Delta Tributary Watershed Program: \$15 million

Provides financing for the development of voluntary, incentive-based watershed rehabilitation projects.

Seawater Intrusion Control: \$10 million

Provides loans to local agencies to combat seawater intrusion into coastal groundwater aquifers that provide water for municipal, industrial and agricultural purposes.

Lake Tahoe Water Quality: \$10 million

Provides for the construction of soil erosion control facilities, as well as the restoration and preservation of environmental sensitive lands, to improve Lake Tahoe's water quality.

Water Supply Reliability Account: \$117 million

Feasibility Projects Subaccount: \$10 million

Provides funds for investigations into such measures as conveyance of wastewater from the Bay area to the Central Valley for irrigation purposes; a possible conveyance facility from Imperial Valley to San Diego; and off-stream water storage in the Sacramento Valley.

Water Conservation and Groundwater Recharge: \$30 million
(\$25 million for loans to local agencies)

Provides financing to acquire land and develop facilities for groundwater recharge.

Local Projects Subaccount: \$25 million

Provides loans for feasibility studies and projects to increase water supplies in rural counties. Funds may not be used for construction of on-stream storage reservoirs.

Sacramento Valley Water Management and Habitat Protection Measures: \$25 million

Provides funds to implement Water Quality Control Plan for the

Bay-Delta.

River Parkway Program:

\$27 million

Provides funds for riparian habitat and trails; half in major metropolitan areas.

CALFED Bay-Delta Ecosystem Restoration Program: \$390 million

To fund projects/programs in the CALFED final environmental document for habitat improvements.

Flood Control and Prevention Program: \$60 million

To pay State share of flood control projects.

RECOMMENDATION

To the extent allowable under State law, staff recommends the Commission adopt of position of support for Proposition 204.